
TITLE 71 INDIANA HORSE RACING COMMISSION

Economic Impact Statement
LSA Document #12-278

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

IC 4-22-2.1-5(a) provides that an agency that intends to adopt a rule under IC 4-22-2 that will impose requirements or costs on small businesses must prepare a statement that describes the annual economic impact of the rule on small businesses after the rule is fully implemented as described in IC 4-22-2.1-5(b). That statement must be submitted to the Indiana Economic Development Corporation (IEDC). The IEDC is required to review the rule and submit written comments to the agency not later than seven days before the public hearing.

The Indiana Horse Racing Commission proposes a rule that will serve two functions related to breed development and the horse racing industry. The proposed rule eliminates outdated portions of the administrative rules: (1) regarding the distribution of simulcast wagering revenue to the purse account for each of the three breeds; and (2) that determine the distribution of breakage and outs to each of the three breed development associations.

Estimated Number of Small Businesses Subject to this Rule:

Under IC 4-22-2.1-5 and IC 5-28-2-6, a small business is any business entity where: (1) on at least fifty percent (50%) of the working days of the business entity occurring during the preceding calendar year, the business entity employed not more than one hundred and fifty (150) employees; and (2) the majority of the employees of the business entity work in Indiana.

The proposed change to 71 IAC 12-2-18 removes outdated language regarding the distribution of interstate simulcasting revenue generated to three purse accounts – one for each of the following breeds: standardbred, thoroughbred, and quarter horse. These purses are distributed to drivers/jockeys, owners, and trainers who work with horses placing in the top three positions of a horse race. There are a total of 5,664 owners, trainers, and drivers/jockeys licensed by the commission. Of those, only owners and trainers would likely meet the definition of a "small business" as defined in IC 4-22-2.1-5. There are approximately 5,082 licensed owners or trainers, or both. It is important to note, though, that the proposed change in the rule does not affect the distribution of these proceeds. Rather, the proposed rule change removes outdated language.

The proposed change in 71 IAC 12-2-19 removes outdated language regarding the distribution of breakage and outs to the three breed associations: the standardbred association, the thoroughbred association, and the quarter horse association. Each of these associations likely meets the description of a "small business". However, the proposed change does not affect the distribution of these proceeds. Rather, the rule change removes outdated language.

Estimated Administrative Costs, Including Annual Reporting and Record Keeping, Imposed on Small Businesses:

The proposed rule does not impose requirements or costs on any small businesses.

Estimated Total Annual Economic Impact that Compliance with the Rule Will Have on Small Businesses:

The Commission estimates that there will be \$0 total fiscal impact on the small business as a result of compliance with this rule.

Justification of Requirements or Costs:

The Commission has no justification of requirements or costs because there are none imposed by this rule.

Regulatory Flexibility Analysis:

The Commission does not propose an alternative regulatory method.

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